

BSE gets SEBI approval for SME Exchange

The markets regulator [SEBI](#) today granted permission to the country's premier bourse [BSE](#) to launch its much-touted [SME Exchange](#) that will offer a platform to small and medium companies to raise funds from the primary as well as debt markets.

Commenting on the development, BSE Managing Director and Chief Executive Madhu Kannan said, "we are glad to have received approval from SEBI to launch the new exchange for small and medium enterprises. This is a great boost to our efforts in offering multiple asset classes to investors. With this, we are doing our bit to contribute towards the governmental agenda of greater financial inclusion and allowing promising enterprises of future to access retail capital."

"We are committed to deliver the best products, services, and asset classes to all our stakeholders and look forward to the success of the SME segment. We will continue to work closely with entrepreneurs, merchant bankers, market makers, investors, industry associations and all other stakeholders to ensure a smooth and successful roll-out and ongoing betterment of the SME exchange," Kannan said in a statement.

The millions of small and medium enterprises (SMEs) have always been complaining of difficulty in accessing both debt and equity capital. While the government has taken several measures to ease access to credit, giving them easier access to equity is the next step in that process.

The BSE SME Exchange, which will function like the AIM of London, the TSXV of Canada, the GEM of Hong Kong, the Mothers of Japan, the Kosdaq of Korea and the Nasdaq of the US, has been developed after studying the salient features, best practices and their business model of these existing exchanges, Kannan said.

The market leader NSE and the privately promoted MCX Exchange are also in the process of launching the same platforms for the small and medium scale enterprises.

So far the exchange has received good response from various sectors, including agro-based industries, manufacturing, textiles, IT, construction etc. A number of merchant bankers are also optimistic about the initiative, the statement said.

(PTI)